

**Core Question 2: Is the organization in sound fiscal health?**

The Financial Performance Framework, outlined in Core Question 2, gauges both near term financial health and longer term financial sustainability while accounting for key financial reporting requirements. During fiscal year 2014-15, Indiana Math and Science Academy-North commenced its second year of operations. Donovan CPA's, the school's auditor, conducts a separate audit for each Indiana Math and Science Academy school within the network. This accountability report reflects disaggregated calculations of Indiana Math and Science Academy-North's financial position *only*.

**2.1. Short-term Health: Does the school demonstrate the ability to pay its obligations in the next 12 months?**

Indicator Targets	Does not meet standard		The school does not meet standard on 2 or more of the five sub-indicators shown below.				
	Approaching standard		The school approaches standard for all 5 sub-indicators shown below, OR meet standard on 3 sub-indicators, while approaching on the remaining 2 OR meets standard on 4 sub-indicators, while not meeting standard for the final sub-indicator.				
	Meets standard		The school meets standard for 4 sub-indicators shown below, while approaching standard on the final sub-indicator.				
	Exceeds standard		The school meets standard for all 5 sub-indicators.				
School Rating	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	Not available		AS	DNMS	AS		
Sub-indicator Ratings	Sub-	Sub-indicator targets				Result	Rating
	Enrollment Ratio	DNMS	Enrollment ratio is less than or equal to 89%			113%	MS
		AS	Enrollment ratio is between 90 – 98%				
		MS	Enrollment ratio equals or exceeds 99%				
	February Enrollment Variance	DNMS	Enrollment ratio is less than or equal to 89%			90%	AS
		AS	Enrollment ratio is between 90 – 95%				
		MS	Enrollment ratio equals or exceeds 95%				
	Current Ratio	DNMS	Current ratio is less than or equal to 1.0			1.11	MS
		AS	Current ratio is between 1.0 – 1.1				
		MS	Current ratio equals or exceeds 1.1				
	Days Cash on Hand	DNMS	Days cash on hand is less than or equal to			30	AS
		AS	Days cash on hand is between 30-45				
		MS	Days cash on hand equals or exceeds 45				
	Debt Default	DNMS	Default or delinquent payments identified			Meets	MS
		MS	Not in default or delinquent				

Indiana Math and Science Academy-North received a rating of **Approaching Standard** for Core Question 2.1 for the 2014-2015 school year because it met standard for three sub-indicators, and approached standard for the other two.

At the September 2014 Count Day, the Indiana Department of Education (IDOE) indicated that school had 771 students enrolled. This is 113% of the 680 students that the school promised the community it would serve in its charter contract.

The school **approached standard** for its February Enrollment Variance. This sub-indicator is calculated by dividing the number of students enrolled in the school on the February 2015 Count Day conducted by the Indiana Department of Education divided by the number of students enrolled at the time of the September 2014 Count Day. IDOE indicated that the school had 694 students enrolled at the February Count Day. This represents 90% of the number of students enrolled at the time of the September Count Day.

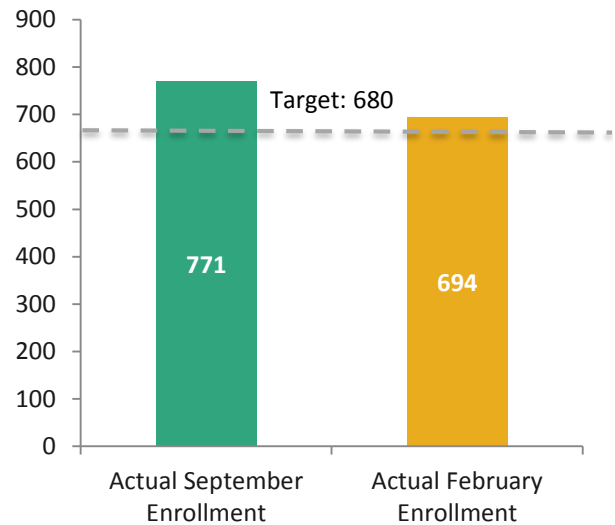
With regard to its current ratio, the school **met standard**, meaning that it had current assets (cash or other assets that can be accessed in the next 12 months) that exceeded its current liabilities (debt obligations due in the next 12 months) by 10% or more.

Additionally, the school ended the year with 30 days cash on hand and **approached standard** for this sub-indicator. Days cash on hand is an important measure of a charter school's fiscal health because it indicates how many more days after June 30, 2015, the school would have been able to operate at its seem spending levels without receiving a tuition support payment from IDOE

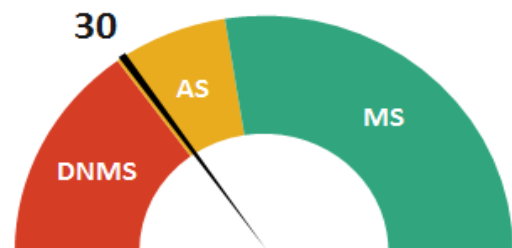
Lastly, the school **met standard** for debt default. This metric is determined by both the auditors' comments in the audited financial statements and contact with the school's creditors. In the case of Indiana Math and Science Academy-North, neither its auditors nor its creditors provided any indication that the school had defaulted on its debt obligations.

Due to its ratings on each sub-indicator, the school receives an overall rating of **Approaching Standard** for Core Question 2.1.

Enrollment Variance Ratio



Days Cash on Hand



2.2. Long-term Health: Does the organization demonstrate long-term financial health?							
Indicator Targets	Does not meet standard		The school does not meet standard on any of the 3 sub-indicators <b>OR</b> meets standard on 1 sub-indicator but does not meet standard on the remaining 2.				
	Approaching standard		The school meets standard on 2 of the sub-indicators while not meeting on the third, <b>OR</b> approaches standard on all 3 sub-indicators.				
	Meets standard		The school meets standard on 2 of the sub-indicators and approaches standard on the third.				
	Exceeds standard		The school meets standard for all 3 sub-indicators.				
School Rating	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	Not available		ES	AS	MS		
Sub-indicator Ratings	Sub-	Sub-indicator targets				Result	Rating
	Aggregate Three-Year Net Income	DNMS	Aggregate 3-year net income is negative.			-\$61,472 (aggregate)  \$200,382 (current)	AS
		AS	Aggregate 3-year net income is positive, but most recent year is negative.				
		MS	Aggregate three year net income is positive, and most recent year is positive.				
	Debt to Asset Ratio	DNMS	Debt to Asset ratio equals or exceeds .95			0.59	MS
		AS	Debt to Asset ratio is between .9 - .95				
		MS	Debt to Asset ratio is less than or equal to .9				
	Debt Service Coverage (DSC) Ratio	DNMS	DSC ratio is less than or equal to 1.05			107.79	MS
		AS	DSC ratio is between 1.05-1.2				
		MS	DSC ratio equals or exceeds 1.2				

The school received a rating of **Approaching Standard** for Core Question 2.2 for the 2014-2015 school year.

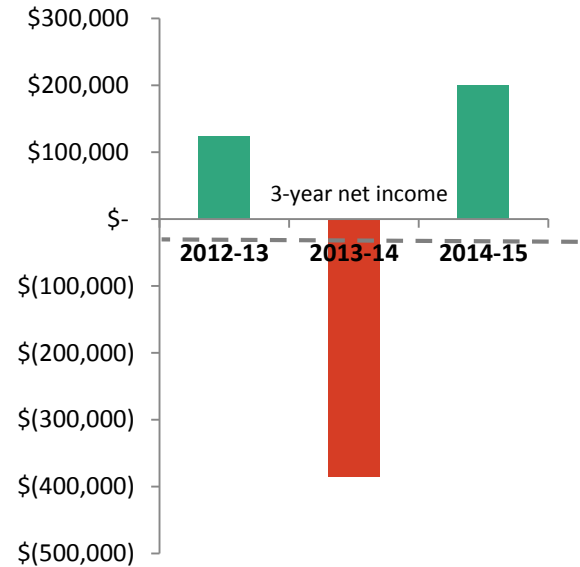
The school **approached standard** for the net income sub-indicator. It had a current year net income of **\$200,382** and an aggregate three year net income of **-\$61,472**.

The school **met standard** for the debt to asset ratio sub-indicator. The school had a ratio of 0.59 meaning that it had significantly fewer debts than it had assets for the 2014-15 fiscal year.

Lastly, the school **met standard** for debt service coverage (DSC). It had a debt service coverage ratio of 56.17 meaning that the school has more than enough operating income to cover its debt service for the 2015-2016 school year. The school's debt for the 2015-16 school year is comprised of a capital lease of \$7,292 that is payable by June 30, 2016.

Given that Indiana Math and Science Academy-North received a rating of **does not meet standard** for one sub-indicator and ratings of **meets standard** for the other two sub-indicators, it receives a rating of **Approaching Standard** for Core Question 2.2.

Three-Year Net Income



2.3. Does the organization demonstrate it has adequate financial management and systems?							
Indicator Targets	Does not meet standard		The school does not meet standard on 1 of the sub-indicators.				
	Approaching standard		The school meets standards on 1 sub-indicator, but approaches standard for the remaining sub-indicator.				
	Meets standard		The school meets standard on both sub-indicators.				
School Rating	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
	Not available		MS	MS	MS		
Sub-indicator Ratings	Sub-indicator	Sub-indicator targets					Rating
	Financial Audit	DNMS	The school receives an audit with multiple significant deficiencies, materials weakness, or has an ongoing concern.				MS
		AS	The school receives a clean audit opinion with few significant deficiencies noted, but no material weaknesses.				
		MS	The school receives a clean audit opinion.				
	Financial Reporting Requirements	DNMS	The school fails to satisfy financial reporting requirements.				MS
		MS	The school satisfies all financial reporting requirements.				

Indiana Math and Science Academy-North received a rating of **Meets Standard** for Core Question 2.3 for the 2014-2015 school year. The school received a clean audit from Donovan CPA's that contained no significant deficiencies or material weaknesses. Because of this favorable report, the school **met standard** on its financial audit.

The school reported 77% of its financial compliance materials in a timely manner and submitted its draft audit on time on November 30, 2015, resulting in a rating of **meets standard** for this sub-indicator.